

1 quite interested in LPTV. He's devoted a lot of time and
2 energy and expense to development of TV40. And I, you know, I
3 think he, he felt these construction permits were valuable to
4 the company. I don't, you know, I think that's responsive to
5 the question.

6 Q Now at the time the decision was made to seek the
7 first set of extensions in December of 1991, was consideration
8 given at that time to what had been happening with respect to
9 TV40 in terms of its financial posture?

10 A Yes.

11 Q Would it be fair to say that it was understood by
12 yourself and by Mr. George Gardner that TV40 was a money
13 losing proposition in December of 1991?

14 A I can't express to what extent, you know, Mr., Mr.
15 George Gardner had, had about it. But I'm -- he was certainly
16 aware of the operating deficits. And he had much greater
17 knowledge of the construction of the station and all of that.
18 But we had had discussions about the, the commitment that the
19 company had made to, to TV40 prior to December of 1991.

20 Q Well, what I'm focusing on right now is the December
21 1991 time period in which obviously from the signing of the
22 extensions at that time the decision was made to seek the
23 extensions. And so what I was wondering was that in December
24 of 1991 was it understood by yourself and Mr. George Gardner
25 that TV40 was a money losing situation at that time?

1 A Yes.

2 Q Did you have any discussion with Mr. George Gardner
3 in December of -- in or about December of 1991 that because of
4 the TV40 situation that it didn't make any sense to build the
5 Lebanon and Lancaster low-power stations?

6 A George Gardner is a very entrepreneurial individual.
7 And I, I believe his feeling was is the development of a
8 viable business plan would, you know, had had great merit in
9 terms of putting together a regional network and that over
10 time that cost could be recovered from the -- certainly either
11 the cost could be fully recovered or losses could be minimized
12 from TV40 by successful implementation of some sort of viable
13 business plan for the low-power construction permits.

14 Q Let's move up 6 months. Now it's June of 1992. And
15 I know from your testimony that you did not review the
16 extension request for, that were submitted in early July, late
17 June, early July of 1992. But my question to you is were you
18 aware that such extensions were, in fact, going to be
19 requested by Raystay of the Commission?

20 (Pause.)

21 A I don't recall being aware of the decision to
22 extend, to request a second application prior to the request
23 for the second application being filed.

24 Q Are you saying then that you were not involved in
25 any way in the decision to seek the second extensions for

1 Lebanon and Lancaster?

2 A I believe what I'm saying is that I was in a very
3 high level of activity on other refinancing and deals, and my
4 focus was there, and I don't recall a lot of management
5 initiative being spent on the decision, any sort of pending
6 decision to, to apply for second renewal permit for the LPTV
7 construction permits in Lancaster and Lebanon.

8 Q So would it be fair to say that you may have been
9 marginally or minimally aware that the decision to seek the
10 extension, the second extension was made, but you weren't
11 involved in that decision-making process?

12 A I think that's a reasonable representation of, of my
13 recollection of what happened during that period.

14 Q Do you know who was involved, or did you have an
15 understanding as to who was involved in the decision-making
16 process whereby Raystay chose to file a second set of
17 extension applications for Lebanon and Lancaster?

18 A Well, I can make inferences, because I know who
19 prepared the forms, and I know who signed the forms. But I,
20 you know, that's all I can do.

21 Q Well, all of us are generally aware of who did that.
22 What, what I was asking you was did you have any understanding
23 as to who was involved in the decision-making process to say
24 let's do it. Let's go forward. Let's file these second
25 extension requests. And if, if you're -- if you don't have

1 any understanding or if you have no knowledge, say so.

2 A I don't have any specific knowledge of, of how the
3 decision was made or who was the ultimate, you know, who
4 recommended it.

5 (Asides.)

6 Q Yesterday Mr. Emmons put to you a question about
7 whether you had resisted any efforts or resisted the proposal
8 of Greyhound to exclude the development of the low-power
9 permits from the, the money that was going to come from, from
10 Greyhound. Do you remember generally that question and
11 answer?

12 A Yes, I generally remember the --

13 Q I want, I want to put it in a, in a different way.
14 It's essentially dealing with the same situation. But from
15 the time negotiations began with Greyhound, did Raystay ever
16 propose, did it ever seek to have funds made available for the
17 development of the low-power stations in Lebanon and
18 Lancaster?

19 MR. SCHAUBLE: By funds proposed does counsel mean
20 loan proceeds or Raystay funds or both?

21 MR. SHOOK: Loan proceeds.

22 MR. SCHAUBLE: Okay.

23 MR. SHOOK: What we're talking about here is the
24 refinancing situation.

25 MR. SCHAUBLE: Thank you.

1 (Pause.)

2 MR. SANDIFER: By the time I had received and was
3 dealing with the financing proposal from Greyhound, I had
4 already been in discussions with many lenders including Heller
5 Financial and Philadelphia National Bank about their
6 willingness to enter into the refinancing of Raystay. And in
7 each of those situations, it was represented to me by John
8 Long of CEA, or it was represented to me by representatives of
9 these lenders that the TV40 operating deficits were something
10 they would rather not have collateralized by the loan nor did
11 they --

12 So it was a general topic I guess that by the time
13 we got into discussions with Greyhound, I didn't consider that
14 a big negotiable part of the arrangement, because the primary
15 source of the refinancing was for the cable operations and
16 capital expenditures that had to do with the cable operations
17 and refinancing and restructuring his existing debt of Raystay
18 and, and getting additional funds.

19 So I guess I sort of took that as one of the
20 parameters of what was offered up front, and while we had
21 discussions, and I think we talked about those at length
22 yesterday, I didn't make it a big priority to restructure the
23 deal for the benefit of the construction permits in order to
24 jeopardize the total refinancing package.

25 Q Is what you're saying that not only didn't you make

1 it a big priority, it was not a priority at all?

2 A Was certainly included in the discussions. But I
3 think any time you deal with parties you can either set rates
4 or terms or whatever, and you try not to renegotiate
5 everything. And I think it was made clear early on that this
6 wasn't an area that, that Greyhound was very flexible on.

7 In fact, I think in their loan committee review of
8 our financing proposal that there was a limitation as to how
9 much could be supplied for the use of, of TV40 from the loan
10 proceeds. And I think that's reflected in the loan documents.

11 And so I knew as early as November of, you know,
12 1991 that that was a part of the committee's review. So I --
13 and I did not spend a lot of time trying to renegotiate that
14 point other than to clarify the operation of TV40 which a
15 great deal of time was spent on in dealings with Greyhound and
16 its attorneys.

17 Q Well, I -- what I perceive in the changes from the
18 initial draft that we have to the final product that there was
19 some negotiation relative to the situation concerning TV40.
20 Would I be correct that there was no effort made by Raystay to
21 work a similar change with respect to the development of the
22 low-power permits?

23 A I think that I testified yesterday that the primary
24 change that was made was in the ability to transfer the LPTV
25 construction permits to an affiliate. And that was because I

1 felt that upon the receipt of a viable business plan, George
2 Gardner or some other related entity or something that we
3 would conceive would be allowed to develop these properties
4 with Raystay's cooperation but without using the proceeds of
5 the Greyhound loans.

6 So I think after we saw the step of the drafts that
7 that was the eventual change. And I guess that was my effort
8 to provide for what I thought would be a viable business plan
9 implementation for the construction of the LPTV construction
10 permits in the Greyhound-Unum refinancing.

11 MR. SHOOK: Your Honor, I have no further questions.

12 MR. SCHAUBLE: Your Honor, could we have one moment
13 off the record?

14 JUDGE CHACHKIN: Yes, we'll go off the record.

15 (Off the record. Back on the record.)

16 MR. SCHAUBLE: I have a few questions on redirect,
17 Your Honor. May I begin?

18 JUDGE CHACHKIN: Go ahead.

19 REDIRECT EXAMINATION

20 BY MR. SCHAUBLE:

21 Q Mr. Sandifer, you testified yesterday concerning
22 George Gardner's review and request with respect to
23 preparation and review of some EEO forms. Do you remember
24 that testimony?

25 A Yes.

1 Q When did the actions which you testified about
2 yesterday, when did those take place?

3 A They took place to having to do with the filing of
4 those forms in either '92 or '93.

5 Q Did George Gardner ever tell you it was necessary to
6 independently verify the facts that were listed in Exhibit 1
7 of the extension applications when you reviewed that exhibit
8 in December 1991?

9 A No.

10 Q To your knowledge, if Raystay's intention in
11 December 1991 had been to sell the Lancaster and Lebanon
12 construction permits, would Raystay have filed applications to
13 extend those construction permits?

14 MR. EMMONS: Objection, Your Honor. I think that's
15 speculative.

16 JUDGE CHACHKIN: Huh?

17 MR. EMMONS: Calls for speculation I think.

18 JUDGE CHACHKIN: Overruled.

19 MR. SANDIFER: No, we would not have filed for
20 extensions.

21 BY MR. SCHAUBLE:

22 Q Why not?

23 A Well, I, I think as we prepared to transfer or sell
24 the Red Lion permit to Mr. Grolman, it became obvious that the
25 amount of, of funds that we would have received for sale or

1 transfer would be insignificant to Raystay's operations. And
2 I think the administrative cost of going through the
3 application and everything else and, and maintaining them
4 would have probably exceeded the value of the time and, and of
5 the proceeds that we would have received.

6 And these, you know, these costs were already spent.
7 It's not we're spending new money to, on any of this.

8 Q Could you turn to TBF Exhibit 264 which is the, the
9 final Greyhound loan agreement? And specifically direct your
10 attention to the page numbered 14 which is section 8.7 of the
11 agreement.

12 A Which page?

13 Q Fourteen. Do you have section 8.7 of the agreement
14 before you?

15 A Yes, I do.

16 Q If Raystay's intent in July 1992 was to sell the
17 construction permit, would you have requested a modification
18 of this provision of the Greyhound loan agreement?

19 A Yes, I would have expanded the parenthetical
20 expression that starts other than the assets constituting TV40
21 to include, you know, the construction permits.

22 Q Did you ever request such a modification?

23 A No.

24 MR. SCHAUBLE: A moment off the record, Your Honor.

25 (Off the record. Back on the record.)

1 JUDGE CHACHKIN: We're back on the record.

2 BY MR. SCHAUBLE:

3 Q You've testified concerning preparation of Raystay's
4 budget. Have there been instances in which Raystay has
5 undertaken construction projects that were not provided for in
6 the budget for that fiscal year?

7 A Yes.

8 Q Could you give some examples of such projects?

9 A Well, I'm aware of, of projects in Carlisle and
10 Inwood in, in FY '91. I'm aware of various vehicle and other
11 equipment purchases in, in each of the years. And I'm aware
12 of rebuild construction projects in Carlisle and Inwood in FY
13 '92 and FY '93 in which the budget was changed to either
14 accomplish greater cross than was anticipated or to move
15 things ahead or to take a project out of sequence from when it
16 had been planned due to changing business conditions.

17 Q You referred to rebuild. Does that refer to rebuild
18 of cable systems?

19 A Yes, rebuild of cable systems as well as, as
20 extensions were also provided. But the, the rebuild would be
21 of cable systems.

22 MR. SCHAUBLE: Your Honor, I have no further
23 questions.

24 JUDGE CHACHKIN: You, you mentioned you had
25 discussions with Mr. Schauble at or about the time that you,

1 that Raystay applied for the first, for the first extension
2 request. What discussion did you have with Mr. Schauble on
3 that subject?

4 MR. SANDIFER: Well, I've had discussions with Mr.
5 Schauble over a number of period of times in reporting on the
6 operations of TV40 and I think compliance with some other FCC
7 matter. And so consequently, Mr. Schauble and I have a number
8 of conversations. At some point in time prior to the, prior
9 to December of 1991, he brought to my attention that we would
10 need to start working on the application request and that he
11 intended to contact David Gardner to initiate that.

12 JUDGE CHACHKIN: And was that the extent of your
13 discussion with Mr. Schauble concerning the extension?

14 MR. SANDIFER: Yes, I believe it was.

15 JUDGE CHACHKIN: Any -- do you have any questions --

16 MR. EMMONS: I do, Your Honor, based on the --

17 JUDGE CHACHKIN: -- based on what Mr. Schauble had
18 said?

19 MR. EMMONS: Yes.

20 JUDGE CHACHKIN: Go ahead.

21 RECROSS-EXAMINATION

22 BY MR. EMMONS:

23 Q Mr. Sandifer, in response to Mr. Schauble you
24 testified that certain actions you described yesterday with
25 regard to the review of EEO forms took place in 1992 or 1993.

1 I wasn't clear what actions you were referring to in your
2 testimony in, in response to Mr. Schauble's question.

3 A Okay. I think there was a -- as I recall, there was
4 a question in the testimony yesterday as to had George Gardner
5 asked for forms to be reworked prior to his signature that I
6 was aware of. And I remember I think that we mentioned
7 some -- I think it was mentioned in my deposition and I think
8 it was mentioned in the testimony yesterday that at some point
9 in time George Gardner asked for additional certification from
10 the system managers of their EEO compliance in preparation of
11 I think -- I'm not sure of the form number. I think it might
12 be 395. But some FCC form that had to do with company, cable
13 company compliance with EEO requirements. And that I
14 mentioned that David Gardner was asked to get additional
15 documentation and the forms were reworked before George
16 Gardner would approve -- George Gardner would sign the, the
17 forms.

18 Q So this was a question of a change in the internal
19 company forms, across the board change in, in those forms for
20 purposes of EEO reporting?

21 MR. SCHAUBLE: Objection. Beyond the scope of the
22 redirect, Your Honor.

23 MR. EMMONS: I don't think it's -- it's directly
24 under redirect, Your Honor.

25 MR. SCHAUBLE: Uh-uh. All I asked is when. There

1 was, there was testimony --

2 JUDGE CHACHKIN: -- about that's right. The
3 question was just when this took place. And I think you go
4 way beyond that now.

5 MR. EMMONS: Well, I'm, I'm trying to understand
6 exactly what it is that took place when the witness gave the
7 dates.

8 MR. SCHAUBLE: Your Honor, there was testimony on
9 this point yesterday in response to question from Mr. Emmons.

10 JUDGE CHACHKIN: I believe the witness had testified
11 concerning at some point because of something that happened in
12 connection with the EEO forms that he was asked to check over
13 Mr. Gardner, David Gardner's work. And I think the witness is
14 now giving the date when this occurred. That's all.

15 BY MR. EMMONS:

16 Q Mr. Sandifer, is that what you were addressing as
17 the judge described it?

18 A Yes, it was.

19 Q Okay. Thank you. Now you testified in response to
20 Mr. Schauble that Raystay would not have filed extension
21 applications in December 1991 if the intention of Raystay had
22 been to sell the construction permits. And you said that the
23 reason for that is that you believe that the administrative
24 costs of keeping the permits would have outweighed the, the
25 cost of getting extension applications. Is that -- you -- am

1 I correct, is that what you testified?

2 A Yeah, it just had to do with as we in my experience
3 had been with the transfer of the permits to Mr. Grolman, we
4 had legal costs that had to do with the transfer as well as
5 FCC related costs. And those seemed to me to would have been
6 certainly consume much of the proceeds we would have gotten
7 from a sale.

8 Q Did you have any discussion of that point with
9 George Gardner?

10 A I have had such discussions with George Gardner.
11 But I do, I do not believe they occurred prior to December
12 1991 when we filed this extension.

13 (Pause. Asides.)

14 Q Mr. Sandifer, you, you said that your experience
15 with the sale of the Red Lion permit to Mr. Grolman persuaded
16 you that the administrative costs, the legal costs would
17 outweigh the benefit of keeping the permits. When did you
18 come to know what the costs were of processing the Red Lion
19 sale on the application for sale to the FCC?

20 A Well, there was a couple ways that I had learned of
21 it. Obviously at the completion of the transaction in early
22 1992 I learned of it. But prior to this time I believe Mr.
23 Berfield of, of our FCC counsel had written a memorandum or
24 letter that I had seen that outlined the type of costs that we
25 could recover on the sale or transfer of the LPTV construction

1 permits. I believe it's an exhibit.

2 And also I was approached, and we had had drafts of
3 documents including this discussion of the engineering type
4 things, with Mr. Grolman in, certainly in November of 1991.
5 And they proceeded -- I believe I signed something on January
6 6th, 1992. But those discussions had been going on since
7 September of 1991. So there was a period of time where we
8 exchanged documents and, you know, incurred legal costs and,
9 and as I mentioned earlier I referred to an exhibit that is
10 here, a letter from someone in Mr. Cohen's firm to our firm
11 that had to do with the type of costs that we could recover.
12 And I believe that's dated in November of 1991.

13 Q Well, do you know how -- did you know as of December
14 1991 how much the administrative costs of selling the permits
15 would exceed the, what could be recovered from the sale of the
16 permits?

17 A I knew in December of 1991 what we had agreed to
18 sell the Red Lion permit to, to, for Mr. Grolman. And I knew
19 the amount of work that we'd expended from the time we first
20 started negotiating him, with him until the time that we, that
21 we filed the application. Because I was the one primarily
22 negotiating and dealing with him and his attorney.

23 Q Now you've testified in response to Mr. Schauble's
24 questions as to TBF Exhibit 264, page 14, section 8.7 of the
25 Greyhound agreement. And I, if I understood you correctly you

1 said that if it had been Raystay's intention to sell the low-
2 power construction permits in July of 1992, you would have
3 requested of Greyhound that the parenthetical clause in
4 section 8.7 be expanded to include the low-power construction
5 permits as well as TV40. Is that correct description of your
6 testimony?

7 A Yes, sir.

8 Q Now at the time that this agreement was signed with
9 Greyhound at the end of July 1992, it is correct, is it not,
10 that Raystay did not have any prospective buyer on the
11 horizon. That is to say you had no -- you were in no
12 negotiations at that time with any prospective buyer for the
13 Lebanon-Lancaster permits.

14 A I don't know of any one that we were having active
15 negotiations with at that time.

16 Q And it is true, is it not, that if Raystay had been
17 able to develop a sale of these permits subsequent to July
18 1992 to some buyer that under this Greyhound agreement Raystay
19 could have gone to Greyhound at that point and requested
20 modification of section 8.7 as you described.

21 MR. SCHAUBLE: Objection. One, it's hypothetical
22 and speculative. And two, it's beyond the scope of the
23 redirect.

24 MR. EMMONS: Well, there's no -- it's not
25 hypothetical, Your Honor, unless Mr. Schauble's question to

1 the witness was hypothetical.

2 JUDGE CHACHKIN: I'll overrule the objection.

3 MR. SANDIFER: Okay. Could you restate the question
4 please?

5 BY MR. EMMONS:

6 Q Sure. It is true, is it not, that if after July
7 1992 Raystay had developed an agreement with a buyer to sell
8 the permits to some buyer that at that point Raystay could
9 under the agreement with Greyhound have gone to Greyhound and
10 requested the change to section 8.7 that you described.

11 A Yes.

12 Q Now in response to Mr. Schauble, you've also
13 testified that there have been occasions when Raystay has
14 undertaken construction projects that were not in the budget.
15 And you described certain projects at Carlisle and Inwood.
16 And you mentioned some vehicle and equipment purchases and the
17 rebuild of a cable system. And my question to you is in those
18 cases where that was done was the budget, was the Raystay
19 budget amended during the course of the fiscal year to reflect
20 the expenditures for those items?

21 A Yes.

22 Q And is it Raystay's practice if, if it decides to
23 make capital expenditures during the course of a fiscal year
24 that had not been included in the original budget prepared at
25 the beginning of the fiscal year, is it Raystay's normal

1 practice to amend the budget to reflect such expenditures
2 during the course of the year?

3 A We make mid-course corrections. Whether that's
4 always done by some formal re-budgeting process but, you know,
5 I'm able to make those changes. And if it were be a
6 significant item, I would discuss it with George Gardner. But
7 whether -- this is not a highly structured process. This is a
8 family-owned company where the principals are within easy
9 reach of the, you know, of the operation.

10 Q But no, no such mid-course correction was ever made
11 of any Raystay budget with respect to construction of the five
12 new low-power permits. Is that correct?

13 A Yes.

14 MR. EMMONS: That's all I have, Your Honor.

15 MR. SHOOK: We have no further questions, Your
16 Honor.

17 JUDGE CHACHKIN: All right. Rather than start
18 with -- George Gardner is the last witness I assume.

19 MR COHEN: Yes.

20 MR. EMMONS: Yes.

21 JUDGE CHACHKIN: We'll take our luncheon recess and
22 start with George Gardner at 1 o'clock.

23 MR. EMMONS: Thank you, Your Honor.

24 (Whereupon, a lunch recess was taken from 11:50 a.m.
25 until 1:05 p.m.)

1 A F T E R N O O N S E S S I O N

2 JUDGE CHACHKIN: Let's go on the record for that
3 first. Would you raise your right hand please?

4 Whereupon,

5 GEORGE GARDNER

6 having been first duly sworn, was called as a witness herein
7 and was examined and testified as follows:

8 JUDGE CHACHKIN: Did you want to start by you --
9 who's going to --

10 MR. SCHAUBLE: Technically, Your Honor --

11 JUDGE CHACHKIN: All right. We'll, we'll just wait
12 then. We'll wait. We'll go off the record again.

13 (Off the record at 1:06 p.m. Back on the record at
14 1:12 p.m.)

15 JUDGE CHACHKIN: Go ahead, Mr. Emmons.

16 MR. EMMONS: Thank you.

17 DIRECT EXAMINATION

18 BY MR. EMMONS:

19 Q Mr. Gardner, would you please state for the record
20 your full name and your residential address?

21 A George F. Gardner, 500 Glendale Street, Carlisle,
22 Pennsylvania.

23 Q Now have you read any of the deposition testimony
24 given in this proceeding by David Gardner or Harold Etsell or
25 Lee Sandifer?

1 A Yes, I have.

2 Q When did you read that?

3 A This morning.

4 Q Did you read any of it before this morning?

5 A Yes, I believe I did.

6 Q Did -- were you provided copies of the transcripts
7 of those depositions by counsel?

8 A Yes.

9 Q Have you discussed with either David Gardner or
10 Harold Etsell or Lee Sandifer the substance of any of the
11 deposition testimony they gave in this case?

12 A John Schauble had a meeting or two in Carlisle with
13 us. Harold Etsell was not there. But David Gardner and Lee
14 Sandifer and myself were there. And we discussed the
15 situation. I, I don't remember exactly what all was
16 discussed. But it may have been some of the things that
17 you're talking about.

18 Q Have you read the written testimony given by David
19 Gardner in this case?

20 A Yes.

21 Q Have you discussed with either David Gardner or Lee
22 Sandifer the testimony they have given on the witness stand
23 here in Washington in this --

24 A No.

25 Q Have you discussed with anyone the testimony given

1 by Mr. Sandifer or Mr., Mr. David Gardner in this case in the
2 last week?

3 A No.

4 Q How many meetings did you have with counsel and, and
5 Mr. David Gardner and Sandifer in preparation for this
6 hearing?

7 A I believe Mr. Schauble came to Carlisle twice and
8 met with the three of us.

9 Q And was one of those meetings in mid-December
10 1991 -- 1993?

11 A I don't recall the exact date. But that sounds
12 about when it was, yes.

13 Q It was before Christmas?

14 A Yes.

15 Q And the other meeting you've referred to was when?

16 A It was before that. But I, I don't recall the exact
17 date.

18 Q Was it before mid-December?

19 A Yes.

20 Q You had any meeting with counsel at which Mr.
21 Sandifer or Mr. Gardner were present to prepare for this case
22 since mid-December?

23 A No.

24 Q Now Mr. Gardner, would you look for a second at
25 Glendale Exhibit 208, please, which is your direct written

1 testimony filed in this case.

2 A Yes, I have it.

3 Q My question is how was this document prepared?

4 A I prepared it in conjunction with Mr. Cohen.

5 Q Did, did Mr. Cohen provide you a draft of the
6 document?

7 A Yes, I believe.

8 Q And did you review the draft?

9 A Yeah.

10 Q Did you review it very carefully?

11 A Yes, I read it.

12 Q You read every sentence?

13 A Yes.

14 Q Did you propose any changes be made in the original
15 draft?

16 (Pause.)

17 A I can't recall of any. There may have been some
18 changes. But I have no recollection of it.

19 Q Did you have time to reflect on the, on the
20 statement in the, in the draft prior to signing it?

21 A Did I have time to reflect on the statement?

22 Q Yes, to reflect on the --

23 A The entire statement.

24 Q On the entire draft, yes.

25 A Yes.

1 Q And you did reflect on that before you signed it?
2 A Yes.
3 Q And when you signed it, were you satisfied that the
4 final version that you were signing was completely accurate to
5 the best of your knowledge and belief?
6 A Yes.
7 Q Now you are the controlling stockholder of Glendale
8 Broadcasting Company, correct?
9 A Yes.
10 Q And you are also the controlling owner of Raystay
11 Company?
12 A I own the controlling stock.
13 Q You own 100 percent of the voting stock?
14 A Yes.
15 Q And you are the sole director of Raystay?
16 A Yes.
17 Q And you are also the president and the chief
18 executive officer of Raystay?
19 A Yes.
20 Q And is it correct that, that you were the person who
21 founded Raystay?
22 A Yes.
23 Q And that was in 1968?
24 A Yes.
25 Q And is it correct that you have controlled Raystay

1 ever since the inception of that company in 1968?

2 A That's correct.

3 Q I just want to ask you a couple, a couple of
4 background questions about Harold Etsell whose, whose
5 testimony is in this proceeding and whose name has been
6 discussed. Am I correct that your business association with
7 Mr. Etsell began in 1987?

8 A I believe in the summer of 1987, yes.

9 Q And at that time, you and Mr. Etsell became co-
10 owners of GH Cable Company?

11 A Yes.

12 Q And would I be -- would it be fair to assume that,
13 that GH in that name stood for George and Hal?

14 A That's correct.

15 Q And at some point thereafter, you bought Mr. Etsell
16 out of his interest in GH Cable?

17 A Yes, I did.

18 Q And at that point, Mr. Etsell became an employee of
19 Raystay Company or, or Waymaker Company?

20 A He was an employee of Waymaker, yes.

21 Q All right. And you are the owner of Waymaker
22 Company, correct?

23 A Yes.

24 Q And is it correct that Mr. Etsell reported to you in
25 a corporate reporting sense in his capacity as an employee of

1 Waymaker Company?

2 A That's correct.

3 Q And am I correct that Mr. Etsell retired from
4 Waymaker and Raystay on October 1, 1993?

5 A Yes.

6 Q Now -- and in light of his retirement on October 1
7 of 1993, am I correct that Mr. Etsell no longer has any
8 employment connection or business connection with, with you?

9 A There is no connection at all. That's right.

10 Q Now you've been dealing with the FCC for a long time
11 in your career, have you not?

12 A The Raystay Company was founded to apply for a
13 standard broadcast station.

14 Q And, and what station was that?

15 A WEEO in Waynesboro, Pennsylvania.

16 Q Did, did Raystay subsequently acquire the permit and
17 license for that station?

18 A Yes. We were granted a construction permit and put
19 the station on the air.

20 Q And, and how long did Raystay own that station?

21 A I believe we owned it for 6 or 7 years. And we sold
22 it and took back a note, and the owner defaulted on the note,
23 and we reacquired it in the early '80s and operated it for
24 several years. And then I sold it again.

25 Q Tell me if this sounds correct to you. And of